

Introduced by Senator Scott

February 8, 2005

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An act to add Section 10295.2 to the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 163, as amended, Scott. Public contracts.

Existing law establishes various requirements applicable to entities that want to contract with the state.

This bill would require a pharmaceutical company entering into a contract with an agency of the state to disclose the percentage of its *national* operating budget that is expended on marketing purposes, *and the percentage of its national operating budget expended on research and development*. The bill would prohibit a state department or agency from entering into a contract with a pharmaceutical company in the absence of that disclosure.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 10295.2 is added to the Public Contract
- 2 Code, to read:
- 3 10295.2. (a) A pharmaceutical company entering into a
- 4 contract with a state department or agency shall disclose the
- 5 percentage of its *national* operating budget that is expended ~~on~~
- 6 *for marketing purposes, and the percentage of its national*
- 7 *operating budget that is expended for research and development*
- 8 *purposes*. No state department or agency may enter into a

1 contract with a pharmaceutical company in the absence of that  
2 disclosure.

3 *(b) For the purposes of this section, “marketing” means*  
4 *activities associated with advertising, marketing, and direct*  
5 *promotion of prescription drugs through radio, television,*  
6 *magazines, newspapers, direct mail, and telephone in connection*  
7 *with detailing, promotional, or other activities performed by the*  
8 *company directly, or through its pharmaceutical marketers.*

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